

February 24, 2022

VIA ELECTRONIC MAIL

Luly E. Massaro, Commission Clerk
Rhode Island Public Utilities Commission
89 Jefferson Boulevard
Warwick, RI 02888

**RE: Docket 5189– 2022 Annual Energy Efficiency Program Plan
Supplemental Response to PUC Post-Decisional 1-2**

Dear Ms. Massaro:

On behalf of The Narragansett Electric Company d/b/a National Grid (“National Grid” or the “Company”), enclosed please find the electronic version of the Company’s supplemental response to PUC Post-Decisional 1-2 in the above referenced docket.¹

Thank you for your attention to this filing. If you have any questions or concerns, please do not hesitate to contact me at 401-784-4263.

Sincerely,



Andrew S. Marcaccio

Enclosures

cc: Docket 5189 Service List
Margaret Hogan, Esq.
John Bell, Division

¹ Per the Commission’s request, the Company is providing one copy of this transmittal for the Commission’s file in this docket and six (6) copies, 3-hole punched for the Commission.

PUC Post-Decisional 1-2 Supplemental

Request:

Given the pending sale of Narragansett Electric to PPL, and the fact that employee misconduct may have related to employees of National Grid USA Service Company who will not be moving to the PPL affiliate if the sale is approved and that documents and records relevant to the investigation may be in the possession of National Grid USA Service Company, to what extent, if any, will the Commission be able to retain the ability and cooperation of National Grid should the Commission perform or order its own investigation regarding the past programs? Please provide an explanation, including any legal barriers the Company believes may preclude or limit such an investigation after the closing occurs. To the extent that the Company and the PPL affiliate have addressed these potential legal barriers, please provide a description of how they have been addressed.

Original Response:

PPL Rhode Island Holdings, LLC's ("PPL Rhode Island") acquisition of The Narragansett Electric Company ("Narragansett") from National Grid USA (the "Transaction") is a stock purchase only, where PPL Rhode Island will acquire 100 percent of National Grid USA's outstanding shares of common stock in Narragansett. Through the Transaction, National Grid USA is effectively selling to PPL Rhode Island the business, operations, and activities of Narragansett, including the retail distribution and provision of electric and gas distribution services to customers within Narragansett's service area in the State of Rhode Island. Thus, Narragansett will continue to own and operate its assets and maintain all its franchise rights for the provision of electric and gas distribution service in Rhode Island, under the management and control of PPL Rhode Island. After the Transaction closes, the Public Utilities Commission ("Commission") will retain its regulatory jurisdiction and authority over Narragansett. At the closing of the Transaction, National Grid USA Service Company, Inc. ("Service Company"), National Grid USA (solely with respect to one section), and Narragansett will enter into a Transition Services Agreement ("TSA") to support activities that will require a more gradual transition of Narragansett from National Grid USA to PPL Rhode Island ownership.¹ In addition, the Share Purchase Agreement ("SPA") for the Transaction provides PPL Rhode Island with the ability, from and after closing, to request and reasonably access records from National Grid USA relating to the Narragansett business.

¹ The master form of TSA is Exhibit A to the Share Purchase Agreement for the Transaction. The Share Purchase Agreement is included as Exhibit A to the Pre-Filed Direct Testimony of Vincent Sorgi, which is attached as Exhibit 1 to the Petition in Division of Public Utilities and Carriers Docket No. D-21-09. The Share Purchase Agreement and TSA can be accessed at: http://www.ripuc.ri.gov/eventsactions/docket/D_21_09_Petition.pdf.

The Narragansett Electric Company
d/b/a National Grid
RIPUC Docket No. 5189
In Re: 2022 Annual Energy Efficiency Plan
Responses to the Commission's Post-Decisional Data Requests
Issued on February 2, 2022

PUC Post-Decisional 1-2, page 2

Thus, to the extent the Commission decided to perform or order its own investigation regarding Narragansett's past energy efficiency programs, National Grid USA and the Service Company will reasonably cooperate with Narragansett in making information available to Narragansett as needed, and will support Narragansett in any proceedings, technical sessions, or working group meetings before the Commission, as provided for in the SPA and/or TSA.

Supplemental Response:

In addition to the information above, please see Attachment PUC 1-2 Supplemental for a copy of the fully executed Cooperation Agreement among PPL Corporation, PPL Energy Holdings, LLC, PPL Rhode Island (collectively, "PPL"), National Grid USA, Service Company (collectively, "National Grid"), and Narragansett effective as of the closing date of the Transaction.

COOPERATION AGREEMENT

PPL Corporation, a Pennsylvania corporation, PPL Energy Holdings, LLC, a Delaware limited liability company, PPL Rhode Island Holdings, LLC, a Delaware limited liability company (collectively, PPL Corporation, PPL Energy Holdings, LLC, and PPL Rhode Island Holdings, LLC are referred to herein as “PPL”), National Grid USA, a Delaware corporation, National Grid USA Service Company, Inc., a Delaware corporation (collectively, National Grid USA and National Grid USA Service Company, Inc. are referred to herein as “National Grid”), and The Narragansett Electric Company (“Narragansett” and together with PPL and National Grid, the “Parties”) hereby enter into this Cooperation Agreement for the purposes set forth herein.

WHEREAS, PPL Corporation, PPL Energy Holdings, LLC, and National Grid USA have entered into a Share Purchase Agreement, dated as of March 17, 2021¹ (as amended, modified or supplemented from time to time in accordance with its terms, the “SPA”), pursuant to which PPL Rhode Island Holdings, LLC would acquire 100% of the outstanding shares of common stock of Narragansett from National Grid USA (the “Transaction”);

WHEREAS, National Grid and Narragansett currently are conducting an internal investigation of activities related to out-of-period invoices in Narragansett’s energy efficiency programs (the “Matter”);

WHEREAS, the Rhode Island Public Utilities Commission (the “PUC”) has been advised of the internal investigation and is monitoring it as part of the matter captioned, *Docket No. 5189 – The Narragansett Electric Company d/b/a National Grid – Annual Energy Efficiency Plan for 2022* (the “2022 EE Docket”), and Narragansett is expected to provide a report of that investigation to the PUC on or about June 1, 2022;

WHEREAS, upon closing of the Transaction, PPL Rhode Island Holdings, LLC will own and operate Narragansett and PPL will take over the conduct of the internal investigation;

WHEREAS, the PUC has indicated that it may, at some point in the future, seek to conduct its own investigation into the Matter;

WHEREAS, some of the personnel from whom the PUC may seek participation in the event it conducts its own investigation into the Matter may be employees of National Grid and/or its affiliates over whom PPL will not have authority or control after the Transaction closes; and

WHEREAS, the Parties seek to provide the PUC with the ability to gather information from all personnel with relevant knowledge in connection with the PUC conducting a full and complete investigation, if desired;

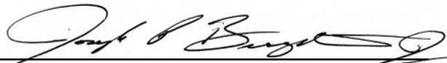
¹ Following the execution of the Share Purchase Agreement, PPL Energy Holdings, LLC assigned its rights under the Share Purchase Agreement to its wholly owned subsidiary, PPL Rhode Island Holdings, LLC, such that, upon closing, PPL Rhode Island Holdings, LLC would acquire 100 percent of the outstanding shares of common stock of Narragansett from National Grid USA.

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein, and subject to the full execution of this Cooperation Agreement, the Parties agree as follows:

1. **PPL Access to National Grid Employees.** After the closing of the Transaction, National Grid will allow PPL and its representatives to have reasonable access upon reasonable advance notice to any National Grid employees reasonably necessary to (i) complete the internal investigation and to prepare the report of that investigation to the PUC by June 1, 2022, and (ii) cooperate in the provision of any additional information that is requested from PPL by the PUC in connection with the PUC's own investigation, if any.
2. **National Grid Access to PPL Employees.** After the closing of the Transaction, PPL will allow National Grid and its representatives to have reasonable access upon reasonable advance notice to any PPL employees reasonably necessary to (i) complete any internal investigations related to its energy efficiency programs and (ii) cooperate in the provision of any additional information that is requested from National Grid by any applicable governmental regulator, if any.
3. **Ancillary Matters Related to Cooperation.** Each Party will bear its own costs in connection with the provision of any access pursuant to this Cooperation Agreement. Any access provided hereunder will be implemented with reasonable measures to prevent the waiver of any applicable attorney-client privilege. The provisions of Sections 11.1, 11.2, 11.3, 11.4, 11.5, 11.7, 11.8, 11.9, and 11.11 of the SPA apply to this Cooperation Agreement.

[Signature page immediately follows.]

<p>NATIONAL GRID USA</p> <p>DocuSigned by:  By: _____ <small>4D861B881B08431...</small> Senior Vice President</p> <p>Date: February __, 2022</p>	<p>PPL CORPORATION</p> <p>By: _____</p> <p>Date: February __, 2022</p>
<p>NATIONAL GRID USA SERVICE COMPANY, INC.</p> <p>DocuSigned by:  By: _____ <small>4D861B881B08431...</small> Senior Vice President</p> <p>Date: February __, 2022</p>	<p>PPL ENERGY HOLDINGS, LLC</p> <p>By: _____</p> <p>Date: February __, 2022</p>
<p>THE NARRAGANSETT ELECTRIC COMPANY</p> <p>DocuSigned by:  By: _____ <small>4D861B881B08431...</small> Senior Vice President</p> <p>Date: February __, 2022</p>	<p>PPL RHODE ISLAND HOLDINGS, LLC</p> <p>By: _____</p> <p>Date: February __, 2022</p>

NATIONAL GRID USA By: _____ Date: February __, 2022	PPL CORPORATION By:  Date: February __, 2022
NATIONAL GRID USA SERVICE COMPANY, INC. By: _____ Date: February __, 2022	PPL ENERGY HOLDINGS, LLC By: _____ Date: February __, 2022
THE NARRAGANSETT ELECTRIC COMPANY By: _____ Date: February __, 2022	PPL RHODE ISLAND HOLDINGS, LLC By:  Date: February __, 2022

NATIONAL GRID USA By: _____ Date: February __, 2022	PPL CORPORATION By: _____ Date: February __, 2022
NATIONAL GRID USA SERVICE COMPANY, INC. By: _____ Date: February __, 2022	PPL ENERGY HOLDINGS, LLC By:  Date: February ²⁴ __, 2022
THE NARRAGANSETT ELECTRIC COMPANY By: _____ Date: February __, 2022	PPL RHODE ISLAND HOLDINGS, LLC By: _____ Date: February __, 2022

[Signature Page to Cooperation Agreement]

Certificate of Service

I hereby certify that a copy of the cover letter and any materials accompanying this certificate was electronically transmitted to the individuals listed below.

The paper copies of this filing are being hand delivered to the Rhode Island Public Utilities Commission and to the Rhode Island Division of Public Utilities and Carriers.



Joanne M. Scanlon

February 24, 2022
Date

**Docket No. 5189 - National Grid – 2022 Annual Energy Efficiency Program
Service list updated 12/16/2021**

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